

RESOLUTION NO. RS2018-1253 (VERCHER) – This resolution would amend Resolution No. RS2015-1417 to extend the duration of the water and sewer extendable commercial paper program of the Metropolitan Government.

Resolution No. RS2015-1417 authorized the issuance and sale of revenue bond anticipation notes not to exceed \$100 million in the form of extendable commercial paper. There is no bank line of credit for this \$100 million, which means Metro does not have to pay an annual capacity fee. The commercial paper issued under this resolution has a maximum maturity date of 90 days. Metro has the option of extending this maturity to a maximum of 270 days, but would pay a higher interest rate if extended. If payment of the principal and interest on the 90-day commercial paper is not made on the date of maturity, the maturity date would automatically extend to 270 days. Morgan Stanley is the dealer for this portion of the commercial paper program, and is paid an annual fee of 0.1% multiplied by the principal amount of commercial paper outstanding.

RS2015-1417 authorized the issuance of up to \$100 million in the form of water and sewer revenue extendable commercial paper notes, provided that such notes finally mature no later than December 31, 2020. The resolution under consideration would extend the final maturation date to July 10, 2021.

Fiscal Note: There would be an annual dealer fee paid to Morgan Stanley, amounting to 0.1% of the amount of commercial paper that is actually issued. If the entire \$100 million in extendable notes authorized by this resolution were to be issued, this fee would be \$100,000.